

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Authority to) **File No. EO-2012-0146**
Sell and Repurchase Coal and Lease Property)

STAFF RECOMMENDATION TO GRANT AUTHORITY
TO SELL AND REPURCHASE COAL AND LEASE PROPERTY
WITH CONDITIONS

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and for its Staff Recommendation to Grant Authority to Sell and Repurchase Coal and Lease Property with Conditions hereby states:

1. On November 9, 2011, Union Electric Company d/b/a Ameren Missouri (“Ameren Missouri” or “Company”) filed an Application, a Motion for Expedited Treatment and a Request for Waiver with the Missouri Public Service Commission (“Commission”) seeking authority to sell coal and to lease a portion of its property at the Rush Island Power Plant pursuant to Section 393.190.1 RSMo, 4 CSR 240-2.080(14) and 4 CSR 240-4.020(2).

2. The Commission ordered Staff to file its recommendation by November 22, 2011. On that date, Staff filed a Motion for Extension of Time because of the press of other Commission business and in order to review documents that had been inadvertently omitted from the Schedules to the Direct Testimony of Company Witness Robert K. Neff.

3. Staff has reviewed the Company's filing and additional materials provided by the Company. As explained more fully in Staff's Memorandum attached here as Appendix A and incorporated by reference, Staff believes the sale and repurchase of coal and the lease of property is not detrimental to the public interest.

4. Pursuant to § 393.190.1 RSMo, the Application states that the proposed sale of the coal and lease of the property should have no impact upon the tax revenue of the political

subdivision in which the assets are located. That statute obligates the Commission to send a copy of all information obtained by it as to what, if any, impact a sale, lease or other disposition will have on the tax revenues of the political subdivisions affected by such disposition to the county clerk of each county in which any portion of an affected political subdivision is located.

5. Staff recommends the Commission approve the sale of the coal and the lease of the Rush Island property contingent upon the following conditions:

a. An order indicating that no ratemaking decision is being made in this case regarding either the sale of the coal or the lease of the Rush Island Plant property over a ten-year period.

b. An order indicating that no ratemaking decision is being made in this case regarding the inclusion or exclusion of the per-ton handling and license fee in the Company's Fuel Adjustment Clause.

c. An order indicating that the Company, prior to exercising the Option Agreement for Purchase of Membership Interest, shall make a presentation to the Commission and the parties in this case explaining its decision to exercise said option. The presentation shall be made as soon as practical after the Company decides to take the action.

d. An order indicating that the Company shall inform the Commission and the parties by filing a notice with the Commission if Ameren Missouri suspends, terminates or otherwise modifies the terms of the four (4) agreements contained in the Direct Testimony of Company witness Robert K. Neff in this case. The Company shall file said notice with the Commission as soon as practical after making the decision to take the action.

WHEREFORE, Staff respectfully requests the Commission issue an order: 1) granting Ameren Missouri's application for authority to sell and repurchase coal and lease property,

subject to the conditions listed in Paragraph 5 above; 2) granting Ameren Missouri's request for expedited treatment; and 3) granting Ameren Missouri's motion for waiver of the 60-day notice of filing requirement.

Respectfully Submitted,

/s/ John D. Borgmeyer
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to counsel of record on this 23rd day of November, 2011.

/s/ John D. Borgmeyer